Secdt. II.-37—100,000—21-5-48.

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Dev (1948) Department.

MS SERIES.

G.O. No. 2291

Dated 6-5-48

[Despatch Abstract.]

ACCOUNTS : APPROPRIATION ACCOUNTS FOR 1946 -46 AND AUDIT REPORT FOR 1947 : REPORT OF THE PUBLIC ACCOUNTS COMMITTEE GRANT XXXVIII - 66.A CAPITAL OUTLAY ON PROVINCIAL SCHEMES OF STATE TRADING : SCHEMES RELATING TO THE DIRECTOR OF AGRICULTURE : PAPERS RECORDED.

Copy of Memorandum No.40516-A2 dated the 12th July 1947 from the Finance Department to the Development Department, Fort St.George.

Sub: APPROPRIATION ACCOUNTS FOR 1945-6 and the Audit Report, 1947 and Finance Accounts for 1945-46 and the Audit Report 1946.

A copy each of the above publications is forwarded for information to the heads of departments specified in the Annexure.

They are requested to make a careful study of the portions of the reports relating to their departments, and to apply the lessons to be learned from them to their every day accounting, so as to avoid a recurrence of any irregularities brought to notice.

2. Three copies of each of the publications are also forwarded to each Departments of the Secretariat (except legal). A further note will be sent to them in regard to the items on which notes have to be prepared.

ANNEXURE.

FINANCE DEPARTMENT.

py of U.O. Note No. 41409-Accts.A2 dated 15th July 1947.

Sub: APPROPRIATION ACCOUNTS OF THE GOVERNMENT OF MADRAS for 1945-46 and the Audit Report 1947 - Preparation of notes for the Public Accounts Committee.
Ref: Memorandum No. 40516-AA-2 dated the 12th July 1947.

In continuation of the memorandum read above, a statement indicating the points on which notes have to be prepared for the consideration of the Public Accounts Committee is furnished to departments of the Secretariat.

2. In preparing the notes, departments are requested to observe the following instructions:-

The notes should be arranged in the following order:

(a) Reference to relevant paragraphs of the Appropriation Accounts and the Audit Report and the subject matter of the note;

(b) relevant extracts of the Accountant-General's remarks in the Appropriation Accounts and Audit Report; and

c) a brief and self-contained note by the Administrative Department.

(2) The note by the Administrative Department should have no annexures or appendices. If references have to be made in the note to Government Orders or to reports from heads of departments, the substance of the Government Order or the report should be embodied in the note. If this is not possible, the Government Order or report should be quoted IN EXTENSO as part of the note itself and not treated as an Annexure to the note.

The attention of the departments of the Secretariat is invited to U.O. Note No. 3847-Accts.A-1 dated the 27th November 1943, communicating the observation of the Public Accounts Committee that where disciplinary action is taken against officers and subordinates in connection with financial irregularities and losses, information should be furnished to the Committee on the results of the disciplinary action taken.

(3) As the members of the Public Accounts Committee are non-officials some of whom may not be fully conversant with technicalities of accounts, departments of the Secretariat are requested to take great care to ensure that the explanatory notes prepared for the consideration of the Committee are full and clear and that nothing is left in any way obscrue or ambiguous.

(4) The drafts of all notes for the Committee should be sent to Finance Department for acceptance. After approval by the Finance Department, 20 printed copies of the note should be furnished to the Finance Department. Instructions should be issued to the Government Press to keep the type standing so as to facilitate the printing of the proceedings of the Committee later.

(3) (a) GOVERNMENT COMMERCIAL CONCERNES: The attention of the Development Department is invited to paragraph 7 of the Report of the Public Accounts Committee on the Accounts of 1929-30, according to which Administration Reports containing review of commercial concernes together with the Audit Officer's Reports should be laid before the Public Accounts Committee simultaneously for consideration - see also paragraph 36 of the report of the Public Accounts Committee on the Accounts of 1932-33.

The Development Department is requested to embody in its note placing the Audit Reports, etc., of Commercial concerns before the Public Accounts Committee not merely a list of the reports but also in regard to each concern information as to the amount of profit or loss (and its percentage to capital) in the year and information regarding any other important points raised in the Audit Report.

(b) STATE TRADING SCHEMES: The departments of the Secretariat concerned with State Trading Schemes (Development and Food Departments) are requested to prepare a breif note on the general results of each State Trading Scheme in the year or years in question, stating the net profit or loss in each year according to the PRO FORMA accounts and dealing with any points that arise for consideration in regard to the accounts of the years under scrutiny in general and any special remarks of the Accountant-General. The notes should deal fully with the criticism made by the Accountant-General in regard to the maintenance of the PRO FORMA accounts in sub-paragraphs (iv) (3) (c) and (d) of paragraph 17 on pages 17 and 18 of the Audit Report. As in the case of Government commercial concerns, these notes will be taken up by the Public Accounts Committees along with the other items relating to the Department of the Secretariat concerned in each case.

4. The Government desire that the consideration of the Appropriation Accounts and the Audit Report by the Public Accounts Committee should be completed as early as possible. Departments of the Secretariat are, therefore, requested to see that complete notes on all the items relating to them are prepared and furnished to this department as early as possible (and not later than the 20th August 1947). Departments will appreciate that in order to work this in time-table prompt action will be necessary at every stage and this must be impressed on Chief Controlling Officers and Heads of Departments.

5. The departments of the Secretariat are requested to obtain the explanations of the Chief Controlling Officers for all variations exceeding Rs. 2,000 or 10 per cent of the final appropriations, whichever is greater, with reference to paragraph 108 of the Madras Budget Manual (Second edition.)

6. Secretaries to Government are informed that they should be prepared to give the Public Accounts Committee at its meetings, if required, the reasons for the variations between the final appropriations and the actuals under the several heads of account with which they are concerned c.f. paragraph 5 above. Notes need not, however, be furnished unless the Committee calls for a a note on any specific case of variation between the grant of appropriation and the actuals ase shown on pages 20-339 of the Appropriation Account and the Audit Report.

7. The heads of Department who are concerned with items specifically included in the agenda should, as far as practicable, attend the meetings of the Committee at which items relating to their respective departments are to be considered.

8. The date of the meeting of the Public Accounts Committee will be intimated later.

Annexure.....(3)

ANNEXURE.

List of items in the Appropriation Accounts 1945-46 and the Audit Report 1947 on which further action is required.

Sl.No.and reference to the Appropriation Accounts 1945-46 and the Audit Report 1947	Subject matter Unnecessary or excessive supplementary grants.	Department concerned.
-1-	-2-	-3-
1.Page 9, Para 12(1)(see also page 128)	Grant XVIII - Agriculture-c.Experimental Farms - A.Agricultural Research Stations - 2.Contingencies.	Development.
2.Page 9 Para 12 (1)(1) (see also page 129)	Grant XVIII - Agriculture -d.Agricultural Demonstration and Propaganda including Public Exhibitions and Fairs - Ordinary area - (i) Excluding Post War Reconstruction - 6.Scheme for the purchase and free distribution of manure and seeds to poor and deserving ryots.	-do-
14.Page 10 para 12(3) - (see also page 129)	Grant XVIII - Agriculture - d.Agricultural Demonstration and Propaganda including Public Exhibitions and Fairs I. Ordinary areas (i)Excluding Post War Reconstruction - 7.Bonus for growing food crops in lieu of cotton	-do-
8 Page 10 - Para 12(5) (see also page 130)	Grant XVIII - Agriculture - d.Agricultural Demonstration and Propaganda including Public Exhibition and Fairs- I.Ordinary areas (i) Excluding Postwar Reconstruction - II.DEDUCT Recoveries from Government Departments, etc.	-do-
29.Page 10.Para 12(5) (see also page 136)	Grant XVIII - Agriculture - k.Grants-in-aid, contributions, etc (i) Excluding Post war Reconstruction - B. Contribution.	-do-
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DEV. DEPARTMENT.

Please see the Finance Department Memo at p.1 and their U.O. note at pp 3-5 above. Copies of these may be given to all sections for taking necessary action. Information regarding the date of the meeting of the Public Accounts Committee may be awaited.

N.M.M. 22/7 V.K.R. 22/7 C.P.M. 23/7 Y.S.M. 23/7 A.S.N. 23/7/47

Extracts from tne Report of the Public Accounts Committee on the Accounts of the Province of Madras for the year 1945-46.

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SECTION II: Comments on Appropriation Accounts - General summary of the figures and accuracy of budgeting.

13, STATE TRADING SCHEMES:

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The Accountant-General has pointed out that in respect of payments made during the year 1944-45 in connection with the State* Trading Schemes administered by the Director of Agriculture, vouchers and payees' receipts for amounts aggregating to Rs. 7,12,798 still remain to be submitted to audit. It has been explained to us that a substantial portion of the amounts held under objection has since been cleared (leaving an amount of Rs. 1,76,000 outstanding on 16th February 1948). In respect of the remaining amount, the records of the Office of the Director of Agriculture show that the necessary stamped receipts were sent to the Accountant-General, but as they are not traceable in his office, the Director of Agriculture is obtaining certificates of payment of the amounts from the District Agricultural Officers concerned. These will be transmitted to the Accountant-General and will enable him to clear the audit objections.

We consider that the defects brought to notices are serious and regrettable. We note, however, the assurance of the departmental officers that there has since been considerable improvement in the maintenance of the accounts, and trust that the accounts of the subsequent years will be found to be satisfactory as a result of the work of the Accounts Inspection Parties.

*(i) Government Malt Factory, Coimbatore; (ii) Paddy seeds; (iii) Cattle food, (iv) green manure seeds; and (v) manures (other than chemical fertilisers.)

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APPENDIX. B.

We have considered the explanations submitted to us in the following cases and have accepted them, and we consider that adequate action has been taken where action was necessary.

Reference to Audit Report and Appropriation Accounts for 1945-6	Head of Account	Defect brought to notice.	Explanation submitted to the Committee.
-1-	-2-	-3-	-4-
** **	**	** ** **	** ** **
(4) Page 313	Grant XXXVIII-Capital outlay on Provincial Schemes connected with war	Losses incurred by the Govt. on (1)Agricultural schemes (Rs.354), etc.	The Government have written off sums to a total of Rs.22,938, being the losses incurred by them under the various State Trading Schemes mentioned in col.(3). The Govt. have satisfied themselves that these losses were unavoidable and that no personal responsibility could be enforced for any of the losses.

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DEVELOPMENT DEPARTMENT.

A copy of the printed report of the Public Accounts Committee has been obtained from Fin. and put up at B.

2. Attention is invited to the notes of the Public Accounts Committee ~~at "Z" on~~ p. 5 and ~~"D"~~ on p.16 of the report at B. The Committee has accepted the explanations given with certain remarks. An extract of para 13 of the report of the Public Accounts Committee may be sent to the Director of Agriculture for information and necessary action. A draft Memo is submitted. After issue the papers may be recorded.

/23.4.1948.

G.O. (Ms) No.2291 Dev. dated the 6th May 1948.

Abstract

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ACCOUNTS - Appropriation Accounts for 1945-46 and Audit Report for 1947 - Report of the Public Accounts Committee - Grant XXXVIII - 85.A.Capital outlays on Provincial Schemes of State Trading = Schemes relating to the Director of Agriculture - Papers - Recorded.

/True copy/

R. Thiagarajan 12.6.54

Office Assistant.

~~Superintendent,~~

Madras Record Office, Egmore.

Sk.23/7

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